

SENATE No. 1366

The Commonwealth of Massachusetts

PRESENTED BY:

Richard R. Tisei

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act Relative to Jobs Creation in the Commonwealth.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Richard R. Tisei	Middlesex and Essex
Bruce E. Tarr	First Essex and Middlesex
Michael R. Knapik	Second Hampden and Hampshire
Robert L. Hedlund	Plymouth and Norfolk
Scott P. Brown	Norfolk, Bristol and Middlesex

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT RELATIVE TO JOBS CREATION IN THE COMMONWEALTH.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Section 1. "Chapter 62C of the General Laws, as appearing in the 2006 official edition, is hereby
2 amended by inserting after section 67D the following section:-

3 Section 67E. (a) When used in this section, the following words shall have the following
4 meaning:

5 "Application year", the calendar year for which a small business submits the information
6 required for a determination as to a jobs incentive payment.

7 "Small Business", a corporation, sole proprietorship, partnership, limited liability company or
8 any other form of business organization that had total annual sales in its most recently completed
9 fiscal year of less than five million dollars and which has a principal place of business within the
10 commonwealth.

11 "Commissioner", the commissioner of revenue.

"Eligible Jobs", a number determined by first multiplying each of the local jobs created by a small business during a single calendar year by the job qualifier for that job, and then totaling the number for all of the local jobs created.

"Full time employee", a person who is employed for consideration for at least 35 hours per week and whose salary is subject to withholding as provided in chapter 62B.

"Job qualifier fraction", in the case of either a full-time employee or a part-time employee of a small business, the figure that determines the extent to which that employee is employed in the commonwealth during a single calendar year. The job qualifier fraction for each employer shall be determined by multiplying the following percentages together: (i) the percentage of time that an employee worked while employed by the company expressed as average hours worked per week out of 35 hours, not to exceed 100 per cent; (ii) that employee's time attributable to work in the commonwealth, as a portion of that employee's total work for the company; and (iii) the portion of the year the employee worked for the company.

"Jobs incentive payment", a business employment incentive payment for small businesses as provided for in this section.

"Local jobs created", the total number of jobs created by a small business during a single calendar year, including jobs performed by persons that are transferred within the company to work at an in-state location from a location based outside the state.

"Part-time employee", a person who is employed for consideration for less than 35 hours a week and whose salary is subject to withholding as provided in chapter 62B.

"Payment years", in the case of a small business that is determined to be eligible for a jobs incentive payment, the 3 calendar years following the application year.

"Qualified services",

"Weighted, average employment", for a calendar year, the total number of jobs maintained by a biotechnology or medical device manufacturing company in which the employees performed employment services at least 1 in-state location. The number is to be determined by first multiplying each of the individual jobs maintained by the company for that year by the job qualifier fraction for that job and then totaling the number for all of these jobs.

(b) A small business that creates 5 or more eligible jobs in the commonwealth during a single calendar year shall be entitled to a jobs incentive payment if its weighted average employment for such year reflects a net increase of at least 5 jobs over the company's weighted average employment for the prior calendar year. The jobs incentive payment shall be equal to 50 per cent multiplied by the applicable Massachusetts income tax rate for the salary paid to the persons who perform the newly created eligible jobs for the calendar year in question; provided, however, that such salary shall be subject to Massachusetts withholding pursuant to chapter 62B for such year. For the purposes of this provision, an eligible job shall be deemed created in the commonwealth on the first day for which Massachusetts withholding is required in connection with the compensation paid to the employee.

(c) The jobs incentive payment shall be paid to a small business in 3 equal installments in each of the 3 calendar years commencing with the calendar year subsequent to the application year. If, for the first or second payment year, the company's weighted average employment falls below its

53 weighted average for the application year, the company shall be disqualified from receiving its
54 second installment payment, it may still receive its third installment payment if its weighted
55 average employment for its second payment year is above its weighted average employment for
56 the application year.

57 (d) A small that seeks a jobs incentive payment shall apply to the commissioner to receive such
58 payment on a form to be prescribed by the commissioner. This form shall reference the necessary
59 information concerning the eligible jobs created by the company in the Commonwealth during
60 the application year and also the company's weighted average employment for such year and the
61 prior calendar year. The commissioner shall advise the company of his determination in writing.

62 (e) Not later than March 1 of each calendar year for which a small business has been approved to
63 receive a jobs incentive payment, the company shall submit to the commissioner, in a form
64 prescribed by the commissioner, the information necessary to evaluate the company's prior year
65 weighted employment average.

66 (f) A small business that has previously been approved to receive a jobs incentive payment is
67 entitled to re-apply for an additional payment for a second or third application year. In such
68 cases, the company may be entitled to receive a jobs incentive payment that relates to different
69 application years in the same calendar year. When a company has previously been granted a jobs
70 incentive payment for 3 application years, it shall not request an additional jobs incentive
71 payment.

72 (g) The commissioner shall issue payments, as authorized in subsection (b), without further
73 appropriation. The commissioner may issue rules and regulations as necessary or helpful to
74 implement this section, including rules and regulations to ensure compliance with this section.”

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